

December 1, 2020

**VIA ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 5076 – 2021 Annual Energy Efficiency Program Plan  
Revised Tables E-1 and G-1**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), enclosed, please find an electronic version of the Company’s revised Table E-1 and Table G-1.<sup>1</sup> The revised tables update Table E-1 (the page before Bates Page 558) and Table G-1 (Bates Page 570) of the 2021 Annual Energy Efficiency and Conservation Procurement Program Plan (“Annual Plan”) which was filed in combination with the Company’s 2021-2023 Energy Efficiency and Conservation Procurement Plan (“Three-Year Plan”) (the Three-Year Plan and Annual Plan are referred to collectively as the “Combined Plan”).

This filing is being made in accordance with past practice of updating Table E-1 and Table G-1 in advance of the hearing and is consistent with the language on Bates Page 253 of the Combined Plan through which the Company noted that it would submit revised Tables E-1 and G-1 on December 1, 2020 to reflect the most current fund balance projections in advance of the hearing on December 7, 2020.

The revised tables include a projected fund balance that includes actual revenues and expenses through October 2020 and projections for November and December 2020. The tables also include revised electric and natural gas energy efficiency program charges that result from the changes to the fund balance. The changes from the Combined Plan as filed on October 15, 2020 are summarized below.

**I. Electric – Table E-1**

The updated projected year-end 2020 electric fund balance increased by \$649,710. This change is primarily driven from a decrease in forecast 2020 year-end expenses relative to the original forecast used in the October 15, 2020 filing. The increase in the fund balance results in a decrease of 0.8% to the proposed 2021 electric energy efficiency program charge. The charge decreases from \$0.01323 per kWh to \$0.01313 per kWh.

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<sup>1</sup> The Company will hand deliver five (5) hard copies of this transmittal per Commission counsel’s update on October 2, 2020, concerning the ongoing COVID-19 emergency period.

## II. Gas – Table G-1

The updated projected year-end 2020 natural gas fund balance increased by \$38,909; with the year-end 2020 residential gas fund balance increasing by \$120,087 and the year-end 2020 commercial and industrial gas fund balance decreasing by \$81,178; resulting in the aforementioned net increase of \$38,909. This change is primarily driven from a net decrease in forecast 2020 year-end expenses relative to the original October 15, 2020 filing.

The increase in the fund balance results in a decrease in the proposed 2021 natural gas energy efficiency residential program charge of 0.1%. The residential charge decreases from \$1.011 per Dth to \$1.010 per Dth.<sup>2</sup>

The Company is proposing no change in the natural gas energy efficiency commercial & industrial program charge in order to honor the Company's commitment with the Settlement Parties to propose a flat rate in the event of a decrease in the projected year-end fund balance.

Please see Bates Page 253 of the Combined Plan for additional details on the commitment to a flat surcharge. The commercial and industrial (C&I) charge stays flat at \$0.704 per Dth.<sup>3</sup>

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-7263

Sincerely,



Andrew S. Marcaccio

cc: Docket 5076 Service List  
Jon Hagopian, Esq.  
John Bell, Division

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<sup>2</sup> This proposed residential rate factors in a reduced amount allocated from the C&I sector collections to the residential sector. See footnote 11 in Table G-1 on Bates Page 570. The reduced amount allocated from the C&I sector collections to the residential sector allows the C&I rate to stay flat despite a projected decreased fund balance for the C&I sector. If the residential rate was decreased in isolation (not factoring in reduced C&I sector collections allocated to the residential sector), then the residential rate would decrease from \$1.011 per Dth to \$1.005 per Dth. However, this would also result in an increase in the C&I rate as described in the footnote below.

<sup>3</sup> If the C&I rate was increased in isolation based on the projected decreased fund balance, the C&I rate would increase from \$0.704 per Dth to \$0.708 per Dth.

**Table E-1**  
**National Grid**  
**Electric DSM Funding Sources in 2021 by Sector**  
**\$(000)**

	<b>Income Eligible Residential</b>	<b>Projections by Sector Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Total</b>
(1) <b>Projected Budget (from E-2):</b>	\$19,855.68	\$41,146.51	\$61,303.84	\$122,306.03
<b>Sources of Other Funding:</b>				
(2) Projected DSM Commitments at Year-End 2020:	\$0.00	\$0.00	\$0.00	\$0.00
(3) Projected Year-End 2020 Fund Balance and Interest:	\$0.00	\$351.16	\$20,260.23	\$20,611.39
(4) Projected FCM Payments from ISO-NE:	\$486.50	\$6,234.50	\$9,297.00	\$16,018.00
(5) <b>Total Other Funding:</b>	<b>\$486.50</b>	<b>\$6,585.66</b>	<b>\$29,557.23</b>	<b>\$36,629.39</b>
(6) <b>Customer Funding Required:</b>	<b>\$19,369.18</b>	<b>\$34,560.84</b>	<b>\$31,746.61</b>	<b>\$85,676.64</b>
(7) <b>Forecasted kWh Sales:</b>	<b>200,673,797</b>	<b>2,571,376,629</b>	<b>3,834,494,965</b>	<b>6,606,545,391</b>
(8) Energy Efficiency Program charge per kWh, excluding uncollectible recovery:				\$0.01296
(9) Proposed SRP Opex Factor per kWh, excluding uncollectible recovery:				\$0.00000
(10) Total Proposed Energy Efficiency Charge per kWh, excluding uncollectible recovery:				\$0.01296
(11) Currently Effective Uncollectible Rate				1.30%
(12) <b>Proposed Energy Efficiency Program Charge per kWh, including Uncollectible Recovery:</b>				\$0.01313
(13) Currently Effective Energy Efficiency Program Charge per kwh				\$0.01323
(14) Proposed Adjustment to Reflect Fully Reconciling Funding Mechanism				(\$0.00010)

Notes:

- (1) Projected Budget from E-2 includes OER and EERMC costs allocated to each sector based on forecasted sales.
- (2) DSM Commitments are projects that are under construction with anticipated completion in 2021.
- (3) Fund balance projections include projected revenue and spend through year end with Income Eligible sector set to \$0 through projected subsidization from other sectors, minus commitments which are illustrated separately on line (2). The Company proposes to refile this table with updated Fund Balance projections on December 1, 2020 as proposed in Section 12.1 of the Plan's Main Text.
- (3a) The Fund balance projection includes a credit and interest in the amount of \$469,641.16 pursuant to the PUC Open Meeting on September 1, 2020 in relation to Docket No. 4755 and the Navy CHP Settlement Agreement.
- (4) The total projection of FCM revenue is allocated by kWh sales to each sector.
- (5) Line (2) + Line (3) + Line (4)
- (6) Line (1) - Line (5)
- (7) Per Company Forecast
- (8) Line (6) ÷ Line (7), truncated to 5 decimal places
- (9) Truncated to 5 decimal places
- (11) Proposed SRP Opex Factor is \$0.00000.
- (10) Line (8) + Line (9)
- (11) Uncollectible rate approved in Docket No 4770.
- (12) Line (10) ÷ (1-Line (11)), truncated to 5 decimal places
- (13) Currently Effective EE Charge includes System Reliability Factor and uncollectible recovery.
- (14) Line (12) - Line (13)

**Table G-1  
National Grid  
Gas DSM Funding Sources in 2021 by Sector  
\$(000)**

	<u>Projections by Sector</u>			<b>Total</b>
	<b>Income Eligible Residential</b>	<b>Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	
<b>(1) Projected Budget (from G-2):</b>	<b>\$10,494.10</b>	<b>\$17,517.85</b>	<b>\$10,604.66</b>	<b>\$38,616.62</b>
<b>Sources of Other Funding:</b>				
(2) Projected Year-End 2020 Fund Balance and Interest:	\$0.00	\$2,039.22	\$3,817.17	\$5,856.40
(3) Low Income Weatherization in Base Rates:	\$0.00			\$0.00
<b>(4) Total Other Funding:</b>	<b>\$0.00</b>	<b>\$2,039.22</b>	<b>\$3,817.17</b>	<b>\$5,856.40</b>
<b>(5) Customer Funding Required:</b>	<b>\$10,494.10</b>	<b>\$15,478.63</b>	<b>\$6,787.49</b>	<b>\$32,760.20</b>
(6) Forecasted Firm Dth Volume	1,600,863	18,655,474	19,605,949	39,862,286
(7) Forecasted Non Firm Dth Volume			230,757	230,757
(8) Less: Exempt DG Customers			(1,485,040)	(1,485,040)
<b>(9) Forecasted Dth Volume:</b>	<b>1,600,863</b>	<b>18,655,474</b>	<b>18,351,666</b>	<b>38,608,003</b>
Average Energy Efficiency Program Charge per Dth (10) excluding Uncollectible Recovery:				\$0.848
(11) Proposed Energy Efficiency Program Charge per Dth excluding Uncollectible Recovery	\$0.991	\$0.991	\$0.691	
(12) Currently Effective Uncollectible Rate	<u>1.91%</u>	<u>1.91%</u>	<u>1.91%</u>	
<b>(13) Proposed Energy Efficiency Program Charge per Dth, including Uncollectible Recovery:</b>	<b>\$1.010</b>	<b>\$1.010</b>	<b>\$0.704</b>	
(14) Currently Effective Energy Efficiency Program Charge per Dth	\$1.011	\$1.011	\$0.704	
(15) Adjustment to Reflect Fully Reconciling Funding Mechanism	(\$0.001)	(\$0.001)	\$0.000	

**Notes**

(1) Projected Budget from G-2 includes OER and EERMC costs allocated to each sector based on forecasted volume.

(2) Fund Balance projections include projected revenue and spend through year-end with Residential and C&I sector subsidies applied to Income Eligible as detailed in the 2021 EE Plan Table G-1. The Company proposes to refile this table with updated Fund Balance projections on December 1, 2020 as proposed in Section 12.1 of the Plan's Main Text.

(11) As agreed to by the settling parties, the proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates. The C&I charge includes collection of \$5.51 million of which \$5.32 million will be allocated to the low income sector and \$0.19 million to the residential sector.

(12) Uncollectible rate approved in Docket No. 4770.